

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT EXAMINATION REPORT

OF

PORTAGE TOWNSHIP

PORTER COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED

06/28/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6
Notes to Financial Statement.....	7-10
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	12-17
Schedule of Leases and Debt	18
Schedule of Capital Assets.....	19
Examination Results and Comments:	
Receipts and Deposit Tickets	20
Mileage Claim Form Not Used	20-21
Ticket Sales	21
Exit Conference.....	22
Official Response	23-24

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Joyce Webster	01-01-07 to 12-31-10
	Brendan Clancy	01-01-11 to 12-31-14
Chairman of the Township Board	Jeremy Rivas	01-01-10 to 12-31-10
	Andrew Maletta	01-01-11 to 12-31-13



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PORTAGE TOWNSHIP, PORTER COUNTY, INDIANA

We have examined the accompanying financial statement of Portage Township (Township), for the period of January 1, 2010 to December 31, 2012. The financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 14, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Township.
The financial statement and notes are presented as intended by the Township.

PORTAGE TOWNSHIP, PORTER COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2010, 2011, And 2012

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township Fund	\$ 463,663	\$ 620,162	\$ 911,673	\$ 172,152
Township Assistance Fund	362,628	725,039	851,756	235,911
Recreation Fund	44,283	5,007	34,472	14,818
Fire Fighting Fund	480,854	717,135	918,122	279,867
Levy Excess	-	7,276	-	7,276
Cumulative Fire Dept Building & Equipment Fund	23,966	33,379	29,709	27,636
Fire Equipment Bond Proceeds	-	-	-	-
Public Works Bond (Bond#2)	(2,986)	25,883	22,897	-
Township Assistance Bond	34,551	565	35,116	-
Payroll Deduction Fund	-	260,079	260,079	-
Community Building Fund	372,697	211,315	573,890	10,122
Community Service Fund	24,955	86,130	81,014	30,071
Fire Equipment Bond	214,103	500,423	520,157	194,369
Social Security Paying Agent	2,022	8,060	8,994	1,088
Totals	\$ 2,020,736	\$ 3,200,453	\$ 4,247,879	\$ 973,310

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township Fund	\$ 172,152	\$ 584,883	\$ 614,719	\$ 142,316
Township Assistance Fund	235,911	532,075	492,120	275,866
Recreation Fund	14,818	138,996	92,138	61,676
Fire Fighting Fund	279,867	628,682	675,134	233,415
Levy Excess	7,276	-	7,276	-
Cumulative Fire Dept Building & Equipment Fund	27,636	46,222	17,814	56,044
Fire Equipment Bond Proceeds	-	1,000,000	456,317	543,683
Public Works Bond (Bond#2)	-	3,939	3,939	-
Township Assistance Bond	-	-	-	-
Payroll Deduction Fund	-	261,532	261,532	-
Community Building Fund	10,122	383,708	346,084	47,746
Community Service Fund	30,071	117,393	85,826	61,638
Fire Equipment Bond	194,369	-	152,700	41,669
Social Security Paying Agent	1,088	8,211	8,374	925
Totals	\$ 973,310	\$ 3,705,641	\$ 3,213,973	\$ 1,464,978

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Township Fund	\$ 142,316	\$ 607,130	\$ 602,276	\$ 147,170
Township Assistance Fund	275,866	519,931	427,604	368,193
Recreation Fund	61,676	204,594	218,428	47,842
Fire Fighting Fund	233,415	721,792	604,974	350,233
Levy Excess	-	-	-	-
Cumulative Fire Dept Building & Equipment Fund	56,044	34,102	40,499	49,647
Fire Equipment Bond Proceeds	543,683	-	543,683	-
Public Works Bond (Bond#2)	-	-	-	-
Township Assistance Bond	-	-	-	-
Payroll Deduction Fund	-	242,089	242,089	-
Community Building Fund	47,746	388,731	371,176	65,301
Community Service Fund	61,638	56,923	118,561	-
Fire Equipment Bond	41,669	168,678	107,400	102,947
Social Security Paying Agent	925	8,388	8,576	737
Totals	\$ 1,464,978	\$ 2,952,358	\$ 3,285,266	\$ 1,132,070

The notes to the financial statement are an integral part of this statement.

PORTAGE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statement presents the financial information for the Township.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

PORTAGE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to

PORTAGE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set

PORTAGE TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

PORTAGE TOWNSHIP, PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2010

	Township Fund	Township Assistance Fund	Recreation Fund	Fire Fighting Fund	Levy Excess	Cumulative FD Building & Equipment Fund	Fire Equipment Bond Proceeds	Public Works Bond (Bond#2)
Cash and investments - beginning	\$ 463,663	\$ 362,628	\$ 44,283	\$ 480,854	\$ -	\$ 23,966	\$ -	\$ (2,986)
Receipts:								
Taxes	501,541	647,642	3,832	406,708	7,276	29,296	-	22,993
Intergovernmental	57,816	72,226	1,166	56,009	-	4,036	-	2,835
Charges for services	54,681	-	-	253,009	-	-	-	-
Other receipts	6,124	5,171	9	1,409	-	47	-	55
Total receipts	620,162	725,039	5,007	717,135	7,276	33,379	-	25,883
Disbursements:								
Personal services	284,900	206,839	-	442,180	-	-	-	-
Supplies	19,885	-	4,944	40,420	-	-	-	-
Other services and charges	606,888	372,314	12,652	385,522	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	22,897
Capital outlay	-	-	16,876	50,000	-	29,709	-	-
Other disbursements	-	272,803	-	-	-	-	-	-
Total disbursements	911,673	851,756	34,472	918,122	-	29,709	-	22,897
Excess (deficiency) of receipts over disbursements	(291,511)	(126,717)	(29,465)	(200,987)	7,276	3,670	-	2,986
Cash and investments - ending	\$ 172,152	\$ 235,911	\$ 14,818	\$ 279,867	\$ 7,276	\$ 27,836	\$ -	\$ -

PORTAGE TOWNSHIP, PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Township Assistance Bond	Payroll Deduction Fund	Community Building Fund	Community Service Fund	Fire Equipment Bond	Social Security Paying Agent	Totals
Cash and investments - beginning	\$ 34,551	\$ -	\$ 372,897	\$ 24,955	\$ 214,103	\$ 2,022	\$ 2,020,736
Receipts:							
Taxes	-	-	185,862	-	439,435	-	2,244,585
Intergovernmental	565	-	24,164	-	60,277	-	279,094
Charges for services	-	-	775	86,130	-	-	394,595
Other receipts	-	260,079	514	-	711	8,060	282,179
Total receipts	565	260,079	211,315	86,130	500,423	8,060	3,200,453
Disbursements:							
Personal services	-	-	235,441	31,219	-	-	1,200,579
Supplies	-	-	33,519	47,695	-	-	146,463
Other services and charges	-	260,079	304,930	2,100	520,157	8,994	2,473,636
Debt service - principal and interest	35,116	-	-	-	-	-	58,013
Capital outlay	-	-	-	-	-	-	96,585
Other disbursements	-	-	-	-	-	-	272,603
Total disbursements	35,116	260,079	573,890	81,014	520,157	8,994	4,247,879
Excess (deficiency) of receipts over disbursements	(34,551)	-	(362,575)	5,116	(19,734)	(934)	(1,047,426)
Cash and investments - ending	\$ -	\$ -	\$ 10,122	\$ 30,071	\$ 194,369	\$ 1,088	\$ 973,310

PORTAGE TOWNSHIP, PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011

	Township Fund	Township Assistance Fund	Recreation Fund	Fire Fighting Fund	Levy Excess	Cumulative FD Building & Equipment Fund	Fire Equipment Bond Proceeds	Public Works Bond (Bond#2)
Cash and investments - beginning	\$ 172,152	\$ 235,911	\$ 14,818	\$ 279,867	\$ 7,276	\$ 27,636	\$ -	\$ -
Receipts:								
Taxes	474,076	483,159	19,980	376,652	-	28,116	-	3,633
Intergovernmental	39,970	40,736	1,685	51,614	-	3,853	-	306
Charges for services	53,776	-	-	200,094	-	-	-	-
Other receipts	17,061	8,180	117,331	322	-	14,253	1,000,000	-
Total receipts	584,883	532,075	138,996	628,682	-	46,222	1,000,000	3,939
Disbursements:								
Personal services	310,569	180,653	-	480,619	-	-	-	-
Supplies	20,895	4,464	6,662	55,577	-	-	-	-
Other services and charges	222,065	307,003	14,997	138,938	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	61,190	-	70,479	-	-	17,814	456,317	-
Other disbursements	-	-	-	-	7,276	-	-	3,939
Total disbursements	614,719	492,120	92,138	675,134	7,276	17,814	456,317	3,939
Excess (deficiency) of receipts over disbursements	(29,836)	39,955	46,858	(46,452)	(7,276)	28,408	543,683	-
Cash and investments - ending	\$ 142,316	\$ 275,866	\$ 61,676	\$ 233,415	\$ -	\$ 56,044	\$ 543,683	\$ -

PORTAGE TOWNSHIP, PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

	Township Assistance Bond	Payroll Deduction Fund	Community Building Fund	Community Service Fund	Fire Equipment Bond	Social Security Paying Agent	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 10,122	\$ 30,071	\$ 194,369	\$ 1,088	\$ 973,310
Receipts:							
Taxes	-	-	352,378	-	-	-	1,737,994
Intergovernmental	-	-	29,710	-	-	-	167,874
Charges for services	-	-	-	109,183	-	-	363,053
Other receipts	-	261,532	1,620	8,210	-	8,211	1,436,720
Total receipts	-	261,532	383,708	117,393	-	8,211	3,705,641
Disbursements:							
Personal services	-	-	233,334	30,680	-	2,575	1,238,430
Supplies	-	-	39,869	51,669	-	-	179,136
Other services and charges	-	261,532	64,972	3,477	-	5,699	1,018,683
Debt service - principal and interest	-	-	-	-	152,700	-	152,700
Capital outlay	-	-	7,909	-	-	-	613,709
Other disbursements	-	-	-	-	-	100	11,315
Total disbursements	-	261,532	346,084	85,826	152,700	8,374	3,213,973
Excess (deficiency) of receipts over disbursements	-	-	37,624	31,567	(152,700)	(163)	491,668
Cash and investments - ending	\$ -	\$ -	\$ 47,746	\$ 61,638	\$ 41,669	\$ 925	\$ 1,464,978

PORTAGE TOWNSHIP, PORTER COUNTY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For The Year Ended December 31, 2012

	Township Fund	Township Assistance Fund	Recreation Fund	Fire Fighting Fund	Levy Excess	Cumulative FD Building & Equipment Fund	Fire Equipment Bond Proceeds	Public Works Bond (Bond#2)
Cash and investments - beginning	\$ 142,316	\$ 275,866	\$ 61,676	\$ 233,415	\$ -	\$ 56,044	\$ 543,683	\$ -
Receipts:								
Taxes	443,087	469,303	153,559	410,913	-	26,679	-	-
Intergovernmental	46,802	49,151	21,082	55,498	-	3,603	-	-
Charges for services	52,165	-	23,700	201,240	-	-	-	-
Other receipts	65,076	1,477	6,253	54,141	-	3,820	-	-
Total receipts	607,130	519,931	204,594	721,792	-	34,102	-	-
Disbursements:								
Personal services	259,418	119,434	106,385	450,885	-	-	-	-
Supplies	24,173	4,834	12,946	35,149	-	-	-	-
Other services and charges	236,500	303,336	30,252	108,419	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	65,185	-	68,845	10,521	-	40,499	543,683	-
Other disbursements	17,000	-	-	-	-	-	-	-
Total disbursements	602,276	427,604	218,428	604,974	-	40,499	543,683	-
Excess (deficiency) of receipts over disbursements	4,854	92,327	(13,834)	116,818	-	(6,397)	(543,683)	-
Cash and investments - ending	\$ 147,170	\$ 368,193	\$ 47,842	\$ 350,233	\$ -	\$ 49,647	\$ -	\$ -

PORTAGE TOWNSHIP, PORTER COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Township Assistance Bond	Payroll Deduction Fund	Community Building Fund	Community Service Fund	Fire Equipment Bond	Social Security Paying Agent	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 47,746	\$ 61,638	\$ 41,669	\$ 925	\$ 1,464,978
Receipts:							
Taxes	-	-	284,688	-	148,607	-	1,936,836
Intergovernmental	-	-	29,816	-	20,071	-	226,023
Charges for services	-	-	-	-	-	-	277,105
Other receipts	-	242,089	74,227	56,923	-	8,388	512,394
Total receipts	-	242,089	388,731	56,923	168,678	8,388	2,952,358
Disbursements:							
Personal services	-	-	211,573	42,672	-	-	1,190,367
Supplies	-	-	40,240	65,473	-	-	182,815
Other services and charges	-	-	67,989	3,470	-	8,576	758,542
Debt service - principal and interest	-	-	-	-	107,400	-	107,400
Capital outlay	-	-	51,374	-	-	-	780,107
Other disbursements	-	242,089	-	6,946	-	-	266,035
Total disbursements	-	242,089	371,176	118,561	107,400	8,576	3,285,266
Excess (deficiency) of receipts over disbursements	-	-	17,555	(61,638)	61,278	(188)	(332,908)
Cash and investments - ending	\$ -	\$ -	\$ 65,301	\$ -	\$ 102,947	\$ 737	\$ 1,132,070

PORTAGE TOWNSHIP, PORTER COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: Oshkosk Capital	Ambulance	\$ 26,673	04-05-10	04-21-14
Total of annual lease payments		<u>\$ 26,673</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities: General obligation bonds	Fire Equipment Bond	\$ 915,000	\$ 194,430
Totals		<u>\$ 915,000</u>	<u>\$ 194,430</u>

PORTAGE TOWNSHIP, PORTER COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 382,700
Buildings	3,782,473
Improvements other than buildings	210,338
Machinery, equipment, and vehicles	<u>1,591,820</u>
Total governmental activities	<u>5,967,331</u>
Total capital assets	<u>\$ 5,967,331</u>

PORTAGE TOWNSHIP, PORTER COUNTY
EXAMINATION RESULTS AND COMMENTS

RECEIPTS AND DEPOSIT TICKETS

The duplicate receipts provided for examination by the Township did not designate the amount of cash or checks collected. The Township did not retain the original or a duplicate of the deposit ticket that would have provided the detail information for the bank deposit. Therefore, we were unable to determine if deposits of collections were made intact.

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited under this subsection shall be deposited in the same form in which they were received."

The Township Trustee's Receipt (Form 16-1997) is to be used for receipt of each item of money received. Indicate in the space "On Account Of" the fund or funds to which the receipt is to be posted and identify the receipt, such as Dog Tax, Tax Distribution, Fire Protection Agreement, Temporary Loan, Bank Loan for Equipment, etc. Give the original to the payor, and retain all duplicates in the bound record. Payment amount for cash, check, money order, credit card/bank card, EFT, and other shall be designated on each receipt. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MILEAGE CLAIM FORM NOT USED

During the examination period, the Trustee used his personal vehicle on trips to conduct Township business. However, instead of reimbursing himself the statutorily set mileage rate on a Mileage Claim form (General Form 1010) he purchased fuel for the vehicle using the Township's credit card.

Indiana Code 36-6-8-3(b) states in part: "The township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees."

PORTAGE TOWNSHIP, PORTER COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles traveled, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TICKET SALES

The Township sponsored a Summer Music Festival in 2012. Tickets were sold for admission and beverage sales. However, the Township did not establish controls or retain documentation to determine if the proper amount of ticket sales were accounted for in the records of the Township.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit . . . (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PORTAGE TOWNSHIP, PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 14, 2013, with Brendan Clancy, Trustee; Edward B. Momola, Township Board member; and Eva Cloyd, Bookkeeper. The Official Response has been made a part of this report and may be found on page 23 and 24.

PORTAGE



TOWNSHIP

BRENDAN CLANCY - TRUSTEE

3484 Airport Road
Portage, Indiana 46368

Phone: (219) 762-1623
Fax: (219) 763-9658

March 20, 2013

State Board of Accounts
Bruce Hartman, State Examiner
302 W Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Response to Exit Audit (Examination Comments Audit Year 2013)

Dear Mr. Hartman,

The following in a Q and A format, are responses to the State Board of Accounts examination results and comments for Audit Year 2013.

RECEIPTS AND DEPOSIT TICKETS

1. Examination Position

The duplicate receipts provided for audit by the Township did not designate the amount of cash or checks collected. In addition, duplicate deposit tickets were not used by the Township. The single original deposit slip was given to the bank, thus we were unable to determine if deposits were made intact.

Response

The township has used the same bank issued deposit receipts for the past 20 plus years. However, the township acknowledges this position and has ordered duplicate receipts.

2. Examination Position

The Township Trustee's Receipt (Form 16-1997) is to be used for receipt of each item of money received. Indicate in the space "On Account Of" the fund or funds to which the receipt is to be posted and identify the receipt, such as Dog Tax Distribution, Fire Protection Agreement, Temporary Loan, Bank Loan for Equipment, etc. Give the original to the payor, and retain all duplicates in the bound record. Payment amount for cash, check, money order, credit card/bank card, EFT, and other shall be designated on each receipt.

Response

The township acknowledges and concurs with this position. The township does in fact use Form 16-1997, however it appears the township mistakenly received a batch of receipts from Boyce Forms printed in error.

MILEAGE CLAIM FORM NOT USED

1. Examination Position

The Township Trustee used the township credit card to purchase fuel for his township vehicle. The Mileage Claim Form 101 was not used.

Response

The township acknowledges and concurs with the position. All township owned vehicles with the exception of fire and emergency medical service apparatus will have regularly maintained mileage logs.

TICKET SALES

1. Examination Position

The township sponsored a Summer Music Festival in 2012. Tickets were sold for admission and beverage sales, however ticket sales reports (SA-4) were not completed when tickets were sold, and ticket stubs were not maintained for audit.

Response

The township acknowledges this position. In the future the township will complete ticket sales reports (SA-4) and maintain ticket stubs for audit.

Respectfully,

A handwritten signature in black ink, appearing to read "Brendan F. Clancy", with a long, sweeping horizontal line extending to the right.

Brendan Clancy
Portage Township Trustee